October 7, 1999

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Voluntary Early Retirement Authority (VERA)

The enactment of the Treasury and General Government Appropriations Act, FY 2000, restored VERA regulatory authority to the Office of Personnel Management (OPM). The Department of Defense (DoD) requested and received agency authority to approve early retirements during FY 2000 under the restored OPM authority. A copy of OPM's September 30, 1999, letter providing this authority is attached for your information. DoD guidance for implementing VERA and procedures for submitting VERA requests during FY 2000 are also attached for your information and use.

Upon DoD approval, activities may offer targeted, early retirements, within established window periods. As with FY 1999 VERA requests, targeting may be based on any combination of organizational components, geographic areas, occupational series or grade levels, or other nonpersonal and objective factors.

It should be noted that enactment of the Treasury Bill repealed the Department of Defense early retirement authority authorized by Section 1109 of Public Law 105-261.

The new authority provides VERA to DoD through September 30, 2000. Should you require additional assistance or more information about the attached guidance, please contact the CARE Division staff at (703) 696-1799, (DSN prefix 426).

//s//

Charles A. Rogers
Deputy Director

Attachments:
As stated

Voluntary Early Retirement Authority (VERA) Request
Guidance and Procedures

All VERA requests must adhere to the guidance and procedures delineated below. This guidance is based on OPM approval dated September 30, 1999. VERA Request Format is attached.

Request Considerations

- Only employees on DoD rolls on or before August 29, 1999, are eligible to receive a VERA.

- Employees serving under time-limited appointments, as well as employees in receipt of a decision of involuntary separation for misconduct or unsatisfactory performance, will not be given a VERA offer.

- VERAs may be based on occupational series or grade, as well as organizational, geographical, and nonpersonal factors, or any combination of these factors.

- The number of VERAs requested should not exceed the number of employees eligible for VERA within the specified organization and geographic area.

- Each DoD installation requesting VERA authority should determine the maximum number of VERA approvals and the anticipated number of opportunity periods required.

- Multiple opportunity periods (windows) may be used to more closely meet organizational needs.

  - An approved request for twenty-five early retirements need not be used at one time. The organization may choose to open one opportunity period or several opportunity windows to achieve twenty-five total retirements within its overall authority. For example, five applications could be solicited and approved during each of five different opportunity windows in order to reach the desired total.

  - When multiple opportunity windows are used, the covered employees must be informed, by an announcement made prior to receipt of applications, of these limitations and the separate opportunity windows which may not exceed the time limits of the overall authority. In the event that approved nonpersonal factors other than leave service computation date are used to determine early retirement eligibility, these factors must be included in the announcement.

  - General announcement of a single opportunity period should indicate the dates for opening and closing, the number of anticipated VERAs, and any approved nonpersonal factors being considered.

- The request for this authority must specify that multiple opportunity windows are anticipated in reaching the early retirement goal.

- When Fiscal Year (FY) 2000 approved authority must be modified, an amended request specifying only the information relating to the new requirements may be submitted using the procedures specified in this guidance. Significant new requirements may necessitate submission of a request for a new authority.

- A request may cover more than one organizational element and more than one geographic location.

- The timeframe for a specific request may not exceed September 30, 2000.

- Multiple requests may be batched for ease of administration and processing. A batch request should clearly identify each VERA authority required.

- Retiring employees must be off the rolls by the expiration or termination date (RIF effective date) of the approved authority; VERA recipients may not be retained in a duty status after the effective date of the respective RIF for any reason.

Submission Process

Requests for new early retirement authorities or to terminate or amend existing authorities will be submitted through the chain of command to the Civilian Assistance and Re-Employment (CARE) Division, Civilian Personnel Management Service (CPMS).

Request Content

Requests must contain all of the information detailed in the VERA Request Format attached. The information provided must clearly delineate the scope (e.g., organization, geographic location, occupation, timeframe) and the nature (e.g., opportunity period(s) and total number of required early retirements). This information is critical in assessing the request. The absence of adequate or complete information may delay processing.

Voluntary Separation Incentive Pay (VSIP) and VERA

VSIP (buyout) procedures remain the same. Targeting of buyouts based on occupational series and grades continues to be an effective management tool. Employees who receive VSIP may or may not be the same as those who retire under VERA.

Under DoD's authority, VERA may be used in conjunction with the Expanded VSIP Program. Activities offering VSIP and VERA in conjunction with the expanded program will use Authority Number 2000-004-999 through FY 2000.

Voluntary Early Retirement Authority (VERA)
Request Format

1. Justification: State the reasons why the VERA is needed, including a detailed explanation of the organization's personnel and budgetary situation resulting in surplus civilian personnel. [If this is an amendment, specify the authority that is being amended, describe the reasons for the amendment, and provide information below relating only to the new requirements.]

2. Scope and Nature of Request:

   a. Area of Application: Specify the organizational unit(s), geographical area(s), occupational series or level(s), or other nonpersonal factor(s) to which the VERA will apply. If occupational series or level(s) are not going to be targeted, indicate that VERA will be extended to all employees within the specified area.

   b. Timeframes:

      (1) Provide the starting and ending dates for the requested authority. This timeframe and/or opportunity period may cover all or any portion of the remainder of Fiscal Year (FY) 2000, but may not extend beyond September 30, 2000. All VERA takers must retire during the specified opportunity period. The ending date must not be later than the effective date of the planned reorganization, reduction in force (RIF), or RIF resulting from transfer of function (TOF) shown in number 3 below. [Organizations requesting VERA should keep in mind the "third of the month" deadline. Civil Service Retirement System employees who retire after the third of the month lose the annuity for that month. Under the Federal Employees Retirement System, all annuities based on voluntary retirement begin on the first day of the month following separation.]

      (2) Within this opportunity period, activities may open and close multiple opportunity periods/windows, control the timing, number of windows, and total VERAs per window. Identify whether the activity will use opportunity windows and any nonpersonal factors that will be used to manage the approval of applications (leave service computation date need not be identified as a nonpersonal factor when used in conjunction with Voluntary Separation Incentive Pay (VSIP) as directed by DoD policy).

3. RIF Effective Date:

4. Employee Information: (Within the specified area of application)

   a. Total number of permanent employees:

   b. Total number of temporary employees:

c. Permanent employees expected to leave the organization voluntarily (i.e., attrition) before the planned effective date of the RIF:

d. Total number of Senior Executive level (SES, ST, SL) or equivalent positions that will be affected by the request: [Generally, for each position identified, there must be a reduction of one high-grade or SES-equivalent position.]

5. <u>After attrition, the estimated number of permanent employees covered (within the specified area of application) by the request who would</u>:

a. Be separated by RIF:

b. Be demoted:

c. Be eligible for VERA:

d. Accept VERA:

e. Not be separated or demoted because of projected early retirements: **(Number of early retirements requested)**

6. Projected number of early retirements that will not avoid RIF separations or downgrades:

7. Any outstanding early retirement reports from previous authorities granted by the Department of Defense/Office of Personnel Management [late reports will delay approval of your request]:

8. Name, title, telephone number, and fax number of an organizational contact for the requested VERA:

Forward the VERA request through the chain of command to Defense Civilian Personnel Management Service, CARE Division, Suite B-200, 1400 Key Boulevard, Arlington, VA 22209-5144.

Voluntary Early Retirement Authority (VERA)
Report Format

A final report is due no later than 30 days after the expiration or termination of the VERA. Completed reports should be forwarded through the chain of command to the Defense Civilian Personnel Management Service, CARE Division, 1400 Key Boulevard, Suite B-200, Arlington, VA 22209-5144.

Supporting Civilian Personnel Office:

Voluntary Early Retirement Authority Number:

1. **Number of voluntary early retirements - <u>VSIP paid</u>:**
   (a) Total early retirees: _____
   (b) Average age of early retirees: _____
   (c) Average grade of early retirees: _____
   (d) Average amount of VSIP: _____

2. **Number of voluntary early retirements - <u>no VSIP paid</u>:**
   (a) Total early retirees: _____
   (b) Average age of early retirees: _____
   (c) Average grade of early retirees: _____

3. **If RIF was used, number of employees affected:**
   (a) Total RIF separations: _____
   (b) Total RIF downgrades: _____
   (c) Total RIF reassignments: _____

4. **Attrition other than VERA:**
   (a) Retirements: _____
   (b) Resignations: _____
   (c) Transfers: _____
   (d) Other: _____
   (e) Total: _____

5. **Number of employees eligible for early retirement who were offered an opportunity to retire under this authority:** _____

6. **Number of new employees placed in vacancies created by VERA:** _____